GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2050
ANSWERED ON:12.12.2008
INTEREST ON UNCLAIMED ACCOUNTS
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Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) has issued guidelines to the banks to pay interest on deposits in the inoperative accounts and on fixed deposits after the maturity period;

(b) if so, the details thereof;

(c) whether the RBI had asked the banks to contact customers whose accounts have been inoperative;

(d) if so, the steps taken by the banks in this regard;

(e) the total amount accumulated with banks arising out of inoperative bank accounts during the last three years and the current year; and

(f) the manner in which the banks are utilizing this amount and the interest accumulated thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a) to (f): Reserve Bank of India vide its circular dt. 22.8.2008 has advised all scheduled commercial banks to ensure that interest on savings bank account should be credited on regular basis whether the account is operative or not. If a fixed deposit receipt matures and proceeds are unpaid, the account left unclaimed with the bank will attract savings bank rate of interest.These guidelines also, inter-alia, stipulate that banks should make an annual review of accounts in which there are no operations for more than one year and to contact the customer whose accounts have been inoperative. If the letters are returned undelivered, they may immediately be put on enquiry to find out the whereabouts of customers or their legal heirs in case they are deceased. In case the whereabouts of the customers are not traceable, banks should consider contacting the persons who had introduced the account holder. They could also consider contacting the employe/or any other person whose details are available with them. For the purpose of classifying an account as `inoperative` both, the debit as well as credit type of transactions should be considered. There should not be any charge for activation of inoperative account.

The Data base maintained by RBI does not generate the information as called for,however, the details of amount accumulated on unclaimed deposits during the last three calendar years are as under:-

Calendar Year	2005	2006	2007
The total amount of unclaimed deposits in Rupees	929,53,96,111/-	1050,13,74,675/- plus USD 6513 plus USD 6513.05	1095,46,84,927/-

At present the amounts of unclaimed deposits lie with the respective banks who deploy the same for their general business like any other deposits.